



ALEC States & Nation Policy Summit

Remarks by Gov. Jan Brewer
Wednesday, November 30, 2011

Thank you, and good afternoon!

It's truly an honor to be with you today to welcome you to Arizona – the Grand Canyon State – the state too strong for ANY union-sponsored boycott to bring down – as your presence here so eloquently demonstrates.

Thank you for coming -- and to those of you from the business community, thank you for your private-sector sponsorship.

Before I begin, I'd also like to recognize Rep. Debbie Lesko and Russell Smolden for your help in putting this program together; and finally, I'd like to recognize Attorney General Ed Meese, and personally thank you, sir, for your service to the country and for your contributions to the Reagan Revolution – the reason so many of us are here today.

I look into the faces of many of you who are here ... and think ... where did the time go? Because, it seems like just yesterday I was sitting where YOU are -- as a legislator -- listening intently to speakers talk about public policy -- and the importance of representing your constituents – the importance of legislating -- well. I tell you that, because I want you to know I've been in your shoes – I know about the tough choices you're asked to make.

I know how difficult some of your days have been.

But, for those of you who are thinking about higher office, I'm here to tell you ... it doesn't get any easier the higher up you go. When I became Governor in early 2009, I inherited the worst state budget deficit in the nation.

Arizona was operating on a system designed to grow government as large as possible. We faced a state budget deficit of nearly \$5 billion across two fiscal years. The state was writing checks it could not cash.

Those shortfalls caused grave concern regarding our ability to meet our contractual and payroll obligations -- not only to state employees and agency functions -- but to

school teachers, local governments, and private sector companies doing business with the state. Well, I'm proud to say that today we now have a balanced budget and a positive cash balance for the first time in years!

And, I don't need to tell you, that this wasn't just by accident. To make this happen, we went back to the fundamentals – fundamentals that allowed us to grow and prosper from the very beginning -- while at the same time -- putting in place new and better ways of doing business.

My first act was to issue a moratorium on new regulations, and then we started with the first of my Four Cornerstones of Reform – making Arizona more competitive.

In the history of this state no other Governor has cut state government more than I have. Today, expenditures are down almost 20 percent -- the number of state employees is down almost fifteen percent -- and state employees – including me -- took a 5 percent pay cut during the crisis.

So, our State Government is smaller. State personnel spending fell \$200 million between 2007 and 2011.

Our comprehensive pension reform preserves the solvency of the system, while easing the burden on taxpayers. It cracks down on abuses -- like double-dipping -- and helps ensure Arizona's state pension system is healthy for the future. Overall, total General Fund spending is down 20 percent from the peak in 2007.

Our State Government is more efficient by consolidating, eliminating or privatizing operations. As I'm sure you've heard, I've been demanding that Washington fulfill its primary obligation to the citizens of our state – and that means securing our southern border, enhance the rule of law, and protect Arizonans -- and all Americans -- from violence committed by organized crime syndicates, out-of-control drug cartels, violent human smugglers, and common criminals.

And, I'm defending this law against every assault – including attacks by the Obama administration -- and I will NOT accept the notion that border security is a responsibility of the Border States.

I'm also fighting ObamaCare -- and the eleven billion dollars it will cost Arizona over the next decade. Health Care regulation is a power reserved to the states by the 10th Amendment.

Congress has overreached by requiring individuals to purchase health insurance -- and penalizing them if they don't. We joined with other states in a federal lawsuit because the issue is just too important for our State to sit back and do nothing.

Finally, our State Government is focused on the future. One of my most important goals this year is to reform the state's personnel system. It's an important next step in our pursuit of regulatory reform.

Our current system would not be tolerated by any business. It takes too long to hire people -- we don't have the ability to reward top performers -- firing employees is extremely difficult -- and it discourages supervisors from managing and disciplining employees.

When the State of Georgia enacted similar reforms in 1996, Governor Zell Miller critiqued the previous system by saying, "The problem is governmental paralysis, because despite its name, our present Merit System is not about merit. It offers no reward to good workers. It only provides cover for bad workers."

Therefore, I'm going to ask the Legislature to consider a package of reforms to consolidate the state's multiple personnel systems, improve the management of the workforce, restructure the grievance and appeal system, and modify human resource practices.

With 30 percent of the state's workforce retirement eligible in the next five years, we must attract and retain the best workers in public service and we need the help of our state's universities to better prepare public sector leaders for the real demands of operating a \$25 billion enterprise. Of course, a stable state is only part of how we need to be competitive.

Passage of the 214-page Competitiveness Package was a huge achievement -- with a coalition of legislators, Arizona businesses, associations, and economic development experts supporting its considerable achievements in tax policy reform.

These reforms -- including significant reductions in business income and property taxes -- remove or mitigate many of the obstacles that had fettered job growth.

They address the underlying problems in our tax system and improve Arizona's standing as a business-friendly state. In short, our income tax and property tax reforms will lift the burdens from Arizona businesses -- making it less costly to expand -- to invest in new machinery and equipment and technology -- and, most importantly -- to invest in quality jobs for our hardworking Arizonans.

Following the path of traditional free-market values we've created a new model to advance the economy with the Arizona Commerce Authority -- a public-private entity focused solely on quality job retention and recruitment.

In less than two years, the Commerce Authority has helped create almost 11,000 jobs with more than \$9 billion of capital investment. Our business client prospects have increased 350 percent on average per month. Working with a list of more than 260 companies, the Authority is poised to bring tens of thousands of new jobs and billions MORE in capital investment to Arizona. Meanwhile, education in Arizona is being transformed. And, this transformation is supported by education and business leaders all across Arizona.

Called ARIZONA READY, we're engaging families across the state to take charge of their children's education and to expect more from their public schools. Our reform initiatives include adoption of higher academic standards to make sure our students can compete with the best in the world -- and prohibiting employment policies that give retention priority to teachers based on seniority.

Seventeen years after we adopted the Charter School Law, Arizona is on its second generation of 15-year charter schools, -- including the best charter school in the nation. In Arizona, 25% of our schools are charters -- and along with our tax credit scholarships -- supportive home-school laws -- and the new Empowerment Scholarship Accounts -- it's clear that parents have great choice and freedom. They recognize that high expectations, teacher quality and transparent accountability are principles that they can and do work.

There's nothing more important we can do in public education today than to raise our expectations for all students -- and, with local control, that's exactly what our charter schools are helping to do. And, we're ensuring Arizona has a state-of-the-art educational data system so teachers have real-time information that can be used to improve instruction and can be held accountable for their results.

The past legislative session was one of the most productive and efficient in state history -- which is a testament to the cooperative relationship between me and the Legislative Majority. We reached agreement on the overwhelming majority of legislative actions.

The Arizona Legislature is focused on the people of Arizona. And, so am I. Together, we're preparing this state for its second century -- which we will celebrate this February. We're ensuring its promise for generations to come. When I took the oath of office, I promised the people of Arizona we would have our OWN version of a massive stimulus package -- a package that would make Arizona one of the most economically vibrant places in the world.

Quite simply ... I called our package "freedom." Here, in Arizona, you're free to work and earn a living -- to build a business -- to build a life. You're free to find and speak the truth about government, and those who lead it. You're free to move from place to place -- you're free to choose the best school for your children -- whether it's in a public institution, or in your own home.

You're free to pursue a higher education in our great research universities and our community colleges, at a cost that will not leave you under a crushing debt. And, finally, you're free to breathe clean air and drink clean water, and to contemplate the hand of God in the forms and colors of our breathtakingly beautiful state, and upon the hearts of its diverse people. In closing, I thank you for your dedication to improving government -- thank you for your love of this republic -- and thank you for continuing the important work of the American Legislative Exchange Council.

May God bless you and your families – all of our state legislatures -- and our Great State of Arizona. And may God always bless and protect the United States of America.

Thank you.